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REPORT

OF

FINDINGS OF THE JOINT COMMITTEE

ON

AUDITOR'S AND TREASURER'S BOOKS.

LITTLE ROCK:
GEORGE WOODRUFF, STATE PRINTER.
1883.

REPORT

OF

FINDINGS OF THE JOINT COMMITTEE

ON

AUDITOR'S AND TREASURER'S BOOKS.

COMMITTEE ROOMS,

LITTLE ROCK, ARK., February 26, 1883.

To the Honorable Senate and House of Representatives of the General Assembly of the State of Arkansas:

We, the undersigned, members of the Joint Committee on Auditor's and Treasurer's Books, instructed by joint resolution adopted on the ——— day of January, 1883, to investigate the books and accounts of the Auditor and Treasurer for the past two years, and to compare the Senate Committee's Report with the books of the late Treasurer—Thomas J. Churchill—and report the result of such investigation to the General Assembly, beg leave to submit the following report, being the result of our investigation of the books and accounts of the late Treasurer—Mr. Churchill—kept during his first term of office.

In conformity to authority given, we have secured the services of first class accountants, who have been untiring in their efforts to uncloak the mysteries and bring to light the true discrepancies that seem to exist in the accounts on

said books. They have thus far discharged the duties imposed upon them ably and faithfully.

To make a satisfactory comparison of the Senate Committee's Report with the books of the late Treasurer, we found it would be necessary to review the books in the same manner as is reported to have been done by the late Senate Committee; hence, to this end the work was begun. Not finding, however, that the charges (in many instances) made by the Senate Committee were fully sustained by the evidence of the books and other lights before us, we have been forced to compile, and submit herewith, a separate and distinct report of the errors as we find them.

We have carefully investigated, compared and checked with the books all vouchers and receipts that could be found in the Treasurer's office operating in any way whatever as a debit or credit on said books during the first term of said Treasurer. We have also examined, carefully, all the vouchers from the Auditor's office, as well as the orders made upon the Treasurer by the Board of Finance, and have in every instance allowed all credits that he could in any way be entitled to from such evidence as was found.

In many instances we find that credits have been taken for payments made upon various accounts; and (though possibly paid and he entitled to the credits as taken) still no voucher authorizing such; nor is there any receipt to the Treasurer as evidence for such payments. In like manner, we find receipts and vouchers for payments made by him, and yet no credit has been taken, though he is entitled to the same. We find, also, several entries upon the books which operate as credits to the late Treasurer, and that seem to have been checked by the Senate Committee, as they do not appear in their report. Still, we are unable to pass them, because of the absence of the vouchers for such credits. If the vouchers were ever in the office, they have since been misplaced or lost, as they can not now be found among the rest of the Treasurer's papers

and vouchers; hence, we have been compelled, on this account, to enter a charge against said Treasurer in all such cases. In our search through the Auditor's office for papers and other evidence leading to the transactions between the Auditor and Treasurer, we found in several instances that the figures and dates on the stub-books of the Auditor, from which warrants have been issued, compare with those in the entries made upon the books of the late Treasurer, but the warrants are not found among the other warrants and papers of the said Treasurer. Neither is there any evidence, beyond what has been already stated, by which we could definitely determine whether such warrants were actually redeemed, or whether they are still outstanding against the State.

The Deputy Auditor stated to the clerks of our committee that a number of papers and vouchers belonging in the Auditor's office had been taken out by the Senate Committee, and were never returned by them. We have spent much valuable time in hunting up missing vouchers, and our work has been greatly retarded on this account. We are unable to say whether any of the missing vouchers were mislaid or lost by the Senate Committee or not. We simply mention this fact, in connection with other matters of like character, to show the hindrances attending a speedy investigation of Mr. Churchill's affairs.

It may be possible that some papers have been misplaced in this way; if so, the injury falls alike upon the late Treasurer and the State, and our committee perhaps have been prevented from arriving at some of the true errors which do occur in the accounts of the late Treasurer. We present herewith a tabulated statement for the first term of the late Treasurer, Mr. Churchill, beginning with the thirteenth day of November, 1874, and ending with the tenth day of January, 1877, comprising a period of two years and two months. We took, as a basis, Mr. Churchill's receipt as Treasurer, to R. C. Newton, the retiring officer. We have charged Mr. Churchill with all sums received into

the treasury, for which schedules have been filed with the Auditor, and have credited him with all disbursements where vouchers could be found, or where (in the absence of receipts) positive proof of lawful payments could be established. We have also charged him with all the State scrip received during the term for bonds funded, or for redemptions made with currency, and have given him credit for all such scrip legally burned, or that was accounted for at the close of his first term to his successor.

At the close of each term Mr. Churchill should, in becoming his own successor, have made out a schedule statement of all funds on hand, whether borne on the accounts of the Auditor or not, and given his receipt therefor to himself as retiring Treasurer, just as would have been done had he been succeeded by anotherp erson. This much he failed to do, and, in the absence of such a receipt or schedule, we are not presumed to know that he had any funds on hand, other than those which were carried forward as ledger balances to his second term; hence, he is therefore liable to the State, and should be charged with any and all funds that came into his possession during the term, and which are unaccounted for at the close of said term of office, in accordance with the manner prescribed. Following is a brief history or explanation of the discrepancies found to exist in the books of the late Treasurer, and which he neither corrected nor accounted to his successor for. He is therefore chargeable with the various sums as follows: $20,744, scrip redeemed with currency.

During the session of the General Assembly of 1874–5, it appears that the State had no currency on hand to meet the expenses of said session, and in lieu thereof State scrip was issued and paid out. Afterwards the State effected a loan of currency, and a special act was passed by the Legislature, authorizing the Treasurer to redeem the scrip issued with currency.

We find in the first quarter of 1875, that twenty thou-

sand seven hundred and forty-four dollars ($20,744) is reported to have been redeemed by the Treasurer, and a credit taken for the currency paid out. This left the scrip in the hands of the Treasurer as vouchers. Not finding the scrip on hand, or that the late Treasurer accounted for it in any way at the close of his first term, he is liable to the State for the scrip, and we therefore charge him with it.

$486.00.

This sum is for a credit taken for scrip and warrants redeemed with currency during the fourth quarter of 1875, and is a similar transaction to the one just mentioned. The "scrip and warrants" could not be found. We therefore charge the Treasurer with the amount named.

$159,000.00.

In the issue of bonds known as the "thirty-year Loughborough bonds," Mr. Churchill, as Treasurer, was made the custodian of the same, and was authorized by law to sell any of the bonds upon a requisition from the Board of Finance, either for currency, State scrip or outstanding Auditor's warrants. If for scrip, he was required by law to verify and burn the scrip before such bonds were delivered to the purchaser. (See act of December 23, 1874, under which thirty-year bonds were issued.) We find from the records that Treasurer Churchill, during his first term, funded or sold for State scrip one hundred and sixty-five of these bonds, for which he received State scrip aggregating one hundred and sixty-five thousand dollars. Of this entire sum only six thousand dollars were burned according to law, leaving a balance of scrip on hand, not burned, and for which bonds had been issued—one hundred and fifty-nine thousand dollars. Being unable to find where he burned the scrip or accounted for it during his first term, we have charged him with the scrip, and also the interest on same from the date of funding to the first day of January.

$59,625.00.

All scrip issued prior to the passage of said act, and the only scrip he had any authority to exchange bonds for, was interest-bearing scrip. We, therefore, charge him with $59,625, being the interest on said scrip at five per cent. from date of funding, July 1, 1875, to January 1, 1883.

$854.26.

Excessive interest allowed in the purchase of thirty-year six per cent. bonds.

We find from the register of interest-bearing scrip that on the fifteenth day of April, 1876, there was funded or bought for thirty-year six per cent. bonds the sum of seventeen thousand five hundred and fifty-five dollars in State scrip, bearing five per cent. interest. The parties from whom the scrip was received were allowed interest on the scrip for a year after the date of funding. Thus causing the State to pay eight hundred and fifty-four dollars and twenty-six cents in excess of what she justly owed. We therefore charge the late Treasurer with the over-payment.

SINKING FUND.

Under this head we find a clerical error against the State in favor of the Treasurer, of one dollar. (See General Account Book, page 96.) In a credit taken for coupons redeemed on ten-year bonds, we find the late Treasurer has scheduled and taken credit for seventeen coupons which could not be found, amounting to one hundred and seventy dollars. We also find a credit under the head of this fund of seventy-six dollars and thirty-four cents; for Auditor's warrants redeemed; the warrants could not be found. A credit is also taken by the late Treasurer as having paid the New York Trust Company the sum of $48,728.26. Only two receipts were found, aggregating $40,000. Amount for which no receipts were found, $8,728.26.

In the four quarters of 1875 and 1876 we find credits taken as follows, viz.:

Paid New York Exchange, fourth quarter 1875.....	$183 94
Paid New York Exchange, fourth quarter 1876.....	40 00
Paid New York Exchange, fourth quarter 1876.....	118 75
Aggregating.....	$342 69

For which no vouchers could be found.

Coupons on bonds Nos. 106 and 189 were twice redeemed at the treasury, causing an excessive payment by the State of $20.

THIRTY-YEAR (1869) BONDS REDEEMED.

We find that the late Treasurer reports to have redeemed seventy-six (76) coupons of the old bonds issued in 1869, and has taken credit for the amount—$2,280. We were unable to find any such coupons in the treasury; hence, we charge him with the sum so credited.

TEN-YEAR BOND COUPONS.

We find that the late Treasurer has taken credit for having redeemed four hundred and sixty dollars in ten-year coupons in excess of the number found on hand as vouchers for such credits. He is, therefore, chargeable with the sum above mentioned.

EXCESSIVE INTEREST ALLOWED ON THE SALE OF THIRTY-YEAR SIX PER CENT. BONDS.

We find in the sale of thirty-year bonds that two bonds —Nos. 1 and 73—were sold for State scrip November 2, 1875, and the scrip burned (according to law) at the time of sale. The sales were made as though they had taken place on July 1, 1875, the time the bonds began to draw interest; hence, no cognizance was taken as to the difference in interest of the scrip and the bonds.

The late Treasurer, therefore, gave the purchasers the advantage of the State the difference in interest between the scrip and bonds for four months and two days, at one per cent., which amounts to $9.42. He is, therefore, amenable to the State in this sum, which we charge him with.

The late Senate Committee makes a charge against the Treasurer for $4.075.99 for interest allowed in this way. In our opinion the charge is not well founded, for the reason that he is chargeable with all the scrip not accounted for, that was received from the sale of the bonds; and, also, the interest beginning with the date of funding.

$2,430.00.

We find that the late Treasurer has taken credit for $20,490 on account of interest paid on thirty-year bonds during his first term. Allowing him credit for the full amount of interest on all the bonds sold, he would only be entitled to a credit for $18,060, leaving a balance for which he has overcredited himself of $2,430. We, therefore, charge him with this amount.

COMMON SCHOOL FUND—$2,010.00.

We find that the late Treasurer has taken credit on account of the sinking fund, with having paid $2,010 interest on $67,000 in bonds belonging to the permanent school fund, and that he has failed to charge himself in the common school fund with the same. He is, therefore, chargeable with this amount of interest.

CITY INTEREST FUND—$1,408.46.

Under this fund we find a credit taken for bond No. 28, city of Little Rock, and interest, amounting to $1,408.46. Neither the bond nor the receipt for its disposal having been found, we charge him with the amount of said bond and interest.

COUNTY INTEREST FUND.

The charges against this fund embrace all items relating in any manner to county bonds and coupons. The collectors of the several counties are required by law to pay over to the State Treasurer all taxes collected for the purpose of redeeming the county bonds and interest of their respective counties. The Treasurer is chargeable with all funds so paid over to him by the collectors, and is entitled to credit for all bonds redeemed or interest paid. The law, however, directs that, upon the redemption of any bonds or coupons, the Treasurer must make out a schedule of the bonds or coupons so redeemed, and file the same, together with the bonds and coupons, with the Auditor, and in compliance with which the Auditor shall issue to the Treasurer his receipt, which operates as a voucher to the Treasurer for such payments. We find the late Treasurer has taken credit for the payment of bonds and coupons, in the following sums: Bonds, $13,752; State scrip, $997; United States currency, $10,416.12. (For separate charges, see exhibit No. 5.) We find no Auditor's receipts. Nor do we find (as we have in some cases) the canceled bonds and coupons in the hands of the Auditor. We therefore charge him with the several sums mentioned. We also find among the late Treasurer's papers, Auditor's receipts for bonds and coupons redeemed, aggregating $6,631.06 (see exhibit No. 9), and no credit is taken on the books of the late Treasurer. We have therefore given him credit in our statements for this amount. The unaccounted for balances, as shown by our statement in this fund, is largely in excess of those claimed by the Senate Committee in their final report. After submitting their first report to the late Treasurer, they seemed to have cleared away some of the charges first claimed (and which charges are clearly sustained by the books). They claim to have afterwards satisfied themselves, through a correspondence with county officials, that the late Treasurer was entitled

so some credits not allowed in their first report, though he had no vouchers as evidence. Just what the nature of that correspondence was, or what information was obtained, the committee failed to state it in their report, nor was the correspondence published in said report, as was the case with all other evidence taken. We, the Joint Committee, have had no time to undergo this process of obtaining information. Hence we present the matter (as we have endeavored to do in reference to every other discrepancy found) in its true light as borne by the books and papers found.

TAX DUE COUNTIES.

Under this fund we find all moneys received into the treasury belonging to the counties, collected from non-residents, etc.

The Treasurer can only pay these funds out upon an Auditor's warrant; we find credits taken for the following sums: County scrip, $9,199.96; State scrip, $6,936.73. (See exhibit 6.) Not finding any warrants for such payments, we have charged the late Treasurer with said sums. We also find under this head, Auditor's warrants aggregating $214.13, which Mr. Churchill failed to take credit for. He is therefore entitled to a credit for this amount.

OVER-ISSUE OF SCRIP.

The Treasurer is only authorized by law to issue scrip in one way—and that, upon an Auditor's warrant. We find that State scrip has been issued in excess of the warrants redeemed during the first term of Mr. Churchill to the extent of $3,737.29. This amount includes an illegal issue to Jefferson County, $2,265.92; scrip issued per register and not issued per stub-book, $115.00 and warrants twice paid and over issued, $1,356.37. A liability has therefore been created against the State to this extent, and the Treasurer is therefore responsible and is chargeable with the amount found to be over issued.

OVER-PAYMENT ON TEN-YEAR BONDS.

We find in the appropriation of $280,000, under which the Baxter War Bonds were issued, that the late Treasurer overrun the appropriation in the issue of bonds and certificates, $895.01, we therefore charge him with the liability thus created.

CONCLUSION.

It will thus be seen, from the foregoing statements of errors and discrepances which are found by us to be existing in the books and accounts of the late Treasurer, that we differ largely with the late Senate Committee in their report as to the nature of many errors, and also as to the total shortage in said accounts.

After allowing all credits which the late Treasurer could in any way be entitled to from the lights before us, we find that he is still short in his accounts, and is liable to the State in the sum of two hundred and ninety-four thousand eight hundred and seventy-six dollars and thirty-seven cents ($294,876.37.) This does not include any interest for which he may be liable upon said deficit, from the date the same was due to the State, up to the present time—*six years.* Having thoroughly satisfied ourselves that the sum as found due from the late Treasurer to the State of Arkansas, is correct, so far as can be determined from the books and accounts of the said Treasurer, we have the honor of remaining your obedient servants,

J. R. THORNTON, *Chairman;*
C. M. NORWOOD,
D. E. BARKER,
SAM. H. EMMERSON,
JOHN B. BOYKIN.

Joint Committee on Auditor's and Treasurer's Books.

Attest:

W. G. BENDER,
D. C. BELL,
Clerks.

STATEMENT OF ERRORS.

THOMAS J. CHURCHILL, TREASURER.

No. 1. DEBIT—GENERAL REVENUE.

FIRST QUARTER, 1875.

To Treasurer's certificates redeemed in United States currency, certificates not found (State scrip)		$ 20,744 00

FOURTH QUARTER, 1875.

To Treasurer's certificates and Auditor's warrants, redeemed (for expenses, etc.) not found, (State scrip)		486 00
To State scrip received for thirty-year bonds, sold during the first term	$165,000 00	
Less amount burned (State scrip)	6,000 00	
		159,000 00

FOURTH QUARTER, 1876.

To interest on $159,000 (State scrip) from July 1, 1875, to January 1, 1883, (State scrip)		59,625 00
To excessive interest charged on scrip funded April 15, 1876, (currency)		854 26
Total		$240,709 26

United States Currency	854 26	
State scrip	$239,855 00	
		$240,709 26

No. 2. DEBIT—SINKING FUND.

SECOND QUARTER, 1875.

To error in entry in general account book, page 96, viz: Credit to Yell county (United States currency)	$2,088 03	
Schedule	2,089 03	
		1 00
To seventeen $10 coupons short, in credit taken for ten-year coupons redeemed (United States currency)		170 00
To Auditor's warrants redeemed in currency, on account of sinking fund, not found—No. 682, $22.66; No. 683, $50.87 and No. 710, $2.81 (currency)		76 34
To amount reported paid Union Trust Company (currency	$48,728 76	
Less two receipts found (currency)	40,000 00	
		8,728 76

FOURTH QUARTER, 1875.

To amount reported paid New York exchange, no voucher (currency)		183 94

FOURTH QUARTER, 1876.

To amount reported paid N. Y. exchange, no voucher (cur'cy)		40 00
To amount reported paid N. Y. exchange, no voucher (cur'cy)		118 75
To coupons, ten-year bonds, Nos. 106 and 189, twice redeemed (currency)		20 00
(No. 106, red. second quarter, 1875; No. 189, red. first qr., '76)		
To coupons on thirty-year bonds (1869), not found (cur'cy)		2,280 00
To coupons on ten-year bonds (1869) not found (currency)		460 00
To excessive interest allowed individuals in the purchase of thirty-year 6 per cent. bonds		9 42
To interest on thirty-year bonds (1875) charged	$20,490 00	
Amount due	18,060 00	
		$2,430 00
Total,		$14,518 21

United States currency, $14,618,21.

No. 3. DEBIT—COMMON SCHOOL FUND.

FIRST QUARTER, 1876.

To interest on $67,000 bonds, not credited to common school fund	$2,010 00

United States currency, $2,010.00.

No. 4. DEBIT—CITY INTEREST FUND.

THIRD QUARTER, 1876.

To bond No. 28, city of Little Rock, and interest on same charged, not found	$1,408 46

United States currency, $1,408.46.

No. 5. DEBIT—COUNTY INTEREST FUND.

FIRST QUARTER, 1875.		
To bond and interest charged Van Buren county	$510 00	
Less Auditor's receipt (State scrip)	400 00	
		$110 00
SECOND QUARTER, 1875.		
To amount charged Franklin county	$176 00	
Less voucher found (currency)	172 06	
		4 00
THIRD QUARTER, 1875.		
To amount charged Little River county	$28 00	
Less Auditor's receipt (State scrip)	24 00	
		4 00
To Johnson county bonds charged, no voucher (currency)		$400 00
To Franklin county, interest on bonds, Nos. 41 and 42, not registered (currency)		8 00
FOURTH QUARTER, 1875.		
To amount charged Van Buren county, no voucher, (currency)		499 40
To amount charged Van Buren county, (State scrip)	$831 78	
Less voucher found (State scrip)	452 78	
		379 00
To Van Buren county bonds charged, not found (State scrip)		500 00
To interest charged on same, not found (currency)		79 00
To Clerk's fees paid Pulaski county from county interest (currency)		305 40
FIRST QUARTER, 1876.		
To Pulaski county coupons charged, not found, (currency)		2 59
SECOND QUARTER, 1876.		
To Pulaski county duplicate coupon, No. 184 (currency)		165 56
To Pulaski county coupons charged first quarter (currency)		2,390 81
To Yell county coupons charged, not found, (currency)		840 00
To Clerk's fees paid Pulaski county from county interest (currency)		122 54
To judgment, Conway county, twice charged (currency)		272 67
THIRD QUARTER, 1876.		
To Pulaski county duplicate coupon of bond No. 184 (currency)		40 00
To Pulaski county duplicate coupon of bond No. 565 (currency)		94 67
To Johnson county bonds and coupons redeemed, not found, (currency)		1,621 62
To Little River coupons overcharged (State scrip)		4 00
To Conway county, amount charged	$2,588 00	
Coupons redeemed, (currency)	2,568 00	
		20 00

To Crawford county coupons charged, not found, (currency).....		1,091 86
To Little River county coupons charged, not found in this quarter, (currency).....		134 00
To Franklin county coupons charged, not found in this quarter (currency).....		124 00
To Yell county coupons charged, not found in this quarter, (county bonds and coupons).....		9,897 00
To Pulaski county coupons charged, not found in this quarter, (county bonds and coupons).....		3,855 00
FOURTH QUARTER, 1876.		
To Johnson county bonds charged, not found (currency).....		2,500 00
Total.....		$25,165 12
County Bonds and Coupons.....	$13,752 00	
United States currency.....	10,466 00	
State scrip.....	997 00	
		$25,165 12

No. 6. DEBIT—TAX DUE COUNTIES.

FIRST QUARTER, 1875.	
To amount charged Desha county, warrant not found (county scrip).....	$ 524 35
To amount charged Desha county, warrant not found (State scrip)	348 17
To amount charged Crittenden county, warrant not found, county scrip).....	4,819 83
To amount charged Crittenden county, warrant not found, (State scrip).....	134 26
To amount charged Saline county, warrant not found, (county scrip.....	120 10
To amount charged Saline county, warrant not found, (State scrip.....	200 00
To amount charged Clark county, warrant not found, (county scrip.....	455 36
To amount charged Greene county, warrant not found, (county scrip.....	1,237 12
To amount charged Greene county, warrant not found, (State scrip).....	1,337 86
SECOND QUARTER, 1875.	
To amount charged Sevier county, warrant not found, (State scrip).....	25 14

THIRD QUARTER, 1875.

To credits taken for payments made sundry counties by H. Page, (State scrip)	$2,017 31	
To credits taken for payments made sundry counties by H. Page (county scrip)	213 81	
		2,231 12
To amount charged Jefferson county, no voucher, (county scrip)		1,570 47
To amount charged Jefferson county, no voucher, (State scrip)		2,265 92
To amount charged Pope county, no voucher, (county scrip)		258 92
To amount charged Pope county, no voucher, (State scrip)		608 07
Total		$16,136 69

County scrip	$9,199 96	
State scrip	6,936 73	
		$16,136 69

STATEMENT OF ERRORS.

THOMAS J. CHURCHILL, TREASURER.

No. 7. CREDIT—GENERAL REVENUE.

THIRD QUARTER 1875.

By Auditor's warrant No. 1932, redeemed in currency, not credited	$ 57 09	
By Auditor's warrant No. ——, redeemed in currency, not credited	100 00	

SECOND QUARTER 1876.

By error in addition of schedule of warrants redeemed in currency, not credited	1 07	

FOURTH QUARTER 1875.

By Auditor's warrant No. 2445	$ 138 60		
Amount credited	138 00	60	
Total		$ 158 76	

United States currency, $158.76.

No. 8. CREDIT—SINKING FUND.

SECOND QUARTER 1875.

By amount credited from Pulaski County, page 98 of the General Account Book:			
Entry	$ 5 95		
Amount voucher	5 49	$ 46	
By overcharge from error as follows:			
Journal entry, page 100	132,114 59		
Ledger entry, page 151	132,115 13	54	

FOURTH QUARTER 1875.

By coupons on ten-year bonds redeemed, not credited.....		270 00

SECOND QUARTER 1876.

By warrant not credited.....	3 60	
By warrant not credited.....	1 92	
By warrant not credited.....	30 75	36 27
Total		$ 307 27

United States currency, $307.27.

No. 9. CREDIT—COUNTY INTEREST FUND.

SECOND QUARTER 1875.

By Auditor's receipt for Crawford County coupons redeemed, not credited, currency.....	$ 502 00
By Auditor's receipt for Little River County coupons redeemed, not credited, currency.....	134 00
By Auditor's receipt for Pulaski County coupons redeemed, not credited, currency.....	1,855 00

FOURTH QUARTER 1876.

By Van Buren County coupons redeemed.....$	29 15	
Amount credited, currency.....	20 00	9 15

SECOND QUARTER 1875.

By Pulaski County bond, not credited, currency.....	1,000 00
By Crawford County coupons, short credited, currency.....	88

FIRST QUARTER 1876.

By Pulaski County certificates, not credited, currency.....	2,240 00

SECOND QUARTER 1876.

By Little River County coupons, not credited, currency.....	840 00

THIRD QUARTER 1876.

By Pulaski County coupons short credited, currency.....	03
By Johnson County coupons short credited, currency.....	50 00
Total	$ 6,631 00

United States currency, $6,631.06.

No. 10. CREDIT—TAX DUE COUNTIES.

SECOND QUARTER 1876.

By amount paid Montgomery County, not credited:		
State scrip	$ 28 18	
County scrip	39 93	$ 68 11

THIRD QUARTER 1876.

By Auditor's warrants, Jackson County, not credited:		
State scrip	43 33	
County scrip	102 69	146 02
Total		$ 215 13
State scrip		$ 71 51
County scrip		142 62
Total		$ 214 13

SUMMARIZED STATEMENT OF ERRORS

OCCURRING IN THE FIRST TERM OF T. J. CHURCHILL, LATE TREASURER.

	CREDITS.	City and County Bonds.	County Scrip.	State Scrip.	United States Currency.
	GENERAL REVENUE.				
Third quarter 1875	Auditor's warrant No. 1932, redeemed in currency, not credited				$ 157 09
Fourth quarter 1875	Auditor's warrant No. 2445, $138.60				
	Amount credited, - - - 138.00				60
Second quarter 1876	Error in addition of schedule of warrants redeemed				1 07
	SINKING FUND.				
Second quarter 1875	Error in charge from Collector of Pulaski County				46
	Error in posting from Journal to Ledger				54
Fourth quarter 1875	Coupons on ten-year bonds, not charged				270 00
Second quarter 1876	Warrants redeemed, not charged				36 27
	COUNTY INTEREST.				
	Sundry errors—Exhibit No. 9				6,631 06
	TAX DUE COUNTIES.				
	Amount paid Montgomery County, not charged		39 93	28 18	
	Amount paid Jackson County, not charged		102 69	43 33	
	Warrants not issued and short issued			2,392 45	
	Total		$ 142 62	$2,463 96	$7,097 09

AGGREGATE.

CITY AND COUNTY BONDS.

County scrip	$ 142 62
State scrip	2,463 96
United States currency	7,097 09
Total	$9,703 67

SUMMARIZED STATEMENT OF ERRORS

OCCURRING IN THE FIRST TERM OF T. J. CHURCHILL, LATE TREASURER.

	DEBITS.	City and County Bonds.	County Scrip.	State Scrip.	United States Currency.
	GENERAL REVENUE.				
First quarter 1875	Treasurer's certificates redeemed in United States currency, not found			$20,744 00	
Fourth quarter 1875	Treasurer's certificates and Auditor's warrants redeemed, not found			486 00	
	Treasurer's certificates (State scrip) received from sale of thirty-year bonds during term, viz: Amount received $165,000 00				
	Less scrip burned 6,000 00			159,000 00	
	Interest on same from July 1, 1875, to January 1, 1883, at 5 per cent			59,625 00	
Fourth quarter 1876	Excessive interest charged on scrip funded, April 15, 1876				854 26
	SINKING FUND.				
Second quarter 1875	Error in entry on general account book, page 96				1 00
	Seventeen ten-year coupons, not found, ten dollars each				170 00
	Auditor's warrants redeemed in currency, not found				76 34
	Amount reported paid Union Trust Company $48,728 76				
	Amount of two receipts found 40,000 00				8,728 76
Fourth quarter 1875	Exchange paid on New York, no voucher				183 94
Fourth quarter 1876	Exchange paid on New York, no voucher				40 00
	Exchange paid on New York, no voucher				118 75
	Coupons, Nos. 106 and 189, twice redeemed				20 00
	Coupons on thirty-year bonds (1869), not found				2,280 00
	Coupons on ten year bonds, not found				460 00
	Excessive interest allowed to individuals, in purchase of $2,000 thirty-year six per cent bonds				9 42
	Interest on thirty-year bonds charged $20,490 00				
	Interest due 18,060 00				2,430 00

SUMMARIZED STATEMENT OF ERRORS—(*Concluded.*)

OCCURRING IN THE FIRST TERM OF T. J. CHURCHILL, LATE TREASURER.

	DEBITS.	City and County Bonds.	County Scrip.	State Scrip.	United States Currency.
	COMMON SCHOOL.				
	Interest on $67,000, not charged				$ 2,010 00
	CITY INTEREST.				
	Bond No. 28, City of Little Rock, and interest, not found				1,408 46
	COUNTY INTEREST.				
	Sundry errors, exhibit No. 5	$13,752 00		$ 997 00	10,416 12
	TAX DUE COUNTIES.				
	Sundry errors, exhibit No. 6		$9,199 96	6,936 73	
	Scrip issued illegally to Treasurer of Jefferson county			2,265 92	
	Scrip redeemed per register, not issued per stub books			115 00	
	Warrants twice paid and over-issued			1,356 37	
	Over-payment on ten per cent. bonds				895 01
	Totals	$13,752 00	$9,199 96	$251,526 00	$30,102 06
	Less credits forward		142 62	2,463 96	7,097 09
	Balances	$13,752 00	$9,057 34	$249,062 06	$23,004 97

AGGREGATE.

City and county bonds	$ 13,752 00
County scrip	9,057 34
State scrip	249,062 06
United States currency	23,004 97
Total	$294,876 37
Joint Committee's Report	$294,876 37
Senate Committee's Report	103,600 81
Difference	$191,275 56

REPORT

OF

FINDINGS OF THE JOINT COMMITTEE

ON

AUDITOR'S AND TREASURER'S BOOKS.

COMMITTEE ROOMS,

LITTLE ROCK, ARK., March 9, 1883.

To the Honorable Senate and House of Representatives of the General Assembly of the State of Arkansas:

We, the undersigned, members of the Joint Committee on Auditor's and Treasurer's Books, instructed by joint resolution adopted on the ——— day of January, 1883, to investigate the books and accounts of the Auditor and Treasurer for the past two years, and to compare the Senate Committee's Report with the books of the late Treasurer—Thomas J. Churchill—and report the result of such investigation to the General Assembly, beg leave to submit the following report, being the result of our investigation of the books of the late Treasurer—Thomas J. Churchill—kept during his second term of office.

We have (in the same manner as described in our report of the first term) carefully investigated, compared and checked with the books all vouchers and receipts that could be found in the office operating in any way what-

ever as a debit or credit on said books during Mr. Churchill's second term of office.

All vouchers from the Auditor's office, as well as the proceedings of the Board of Finance relative to the accounts of the late Treasurer, have been thoroughly reviewed and checked also, and in no case have we failed to allow all credits to which he could in any way be entitled from such evidence as was found. As was the case in the first term, we find the late Treasurer has taken credit for payments made upon various accounts, without having in his possession the proper vouchers authorizing such payments to be made. At least such papers can not now be found among the rest of the Treasurer's vouchers and receipts.

We also find receipts and vouchers for payments that have been made, and yet no credit has been taken for them by the late Treasurer, though he is justly entitled thereto.

We find, furthermore, several entries upon the books which appear as credits to the Treasurer, and seem to have been checked by the late Senate Committee, as they do not appear charged in their report. But, having failed to find the proper vouchers ourselves, we could not pass them, and have been compelled to enter a charge against the late Treasurer in all such cases.

We present herewith a tabulated statement of the errors occurring in the second term of the late Treasurer, Mr. Churchill, beginning with tne eleventh day of January, 1877, and ending with the sixteenth day of January, 1879, comprising a period of two years and six days.

In the absence of any receipt from Mr. Churchill to himself, being his own successor, we have been forced to take as a basis alone, the ledger balances carried forward from his first term. We have charged him with all sums received into the treasury for which schedules have been filed with the Auditor, and have credited him with all disbursements where vouchers could be found, or where (in the absence of

receipts) positive proof of lawful payments could be established. We have also charged him with all the State scrip received during the term for bonds sold, or for redemptions made with currency, and have given him credit for all scrip legally burned, or that was accounted for, at the close of his second term, to his successor.

We repeat, that Mr. Churchill should, in beeoming his own successor, have made out a schedule statement of all funds on hand, whether borne on the accounts of the Auditor or not, and given his receipt therefor to himself as retiring Treasurer. This he failed to do, and, in the absence of such a receipt, or schedule, we are not presumed to know that he had any funds on hand other than those carried forward to his third term; hence, he is liable to the State, and is, therefore, chargeable with any and all funds that are received by him which he does not account for by proper vouchers, or to his successor, at the close of his term, in the manner above prescribed.

Following is a brief explanation of the discrepancies found to exist in the books of the late Treasurer, which he neither corrected nor accounted for to his successor:

GENERAL REVENUE.

Under this fund we find a credit taken for "express charges" paid of one dollar ($1), for which no receipt or voucher can be found. There appears to be an error in addition, page 492, general account book, in which the State is loser to the extent of sixty cents.

In the second quarter of 1877, a credit is taken for two Auditor's warrants numbered 262 and 268, aggregating $507, which are reported to have been redeemed with currency, but upon close examination we found that they were redeemed with State scrip.

In the third quarter of 1878, we find where Mr. Churchill in redeeming a lot of Auditor's warrants at the German Bank, received as difference in settlement the sum of

$29.10 in currency, which he failed to charge himself with. In connection with this transaction we find that he also took a double credit for the warrants redeemed as follows:

FIRST.

Third quarter 1877. By draft on Latham, Alexander & Co.....		$ 6,000 00
Third quarter 1877. By draft on Latham, Alexander & Co.....	$1,074 31	
Less amount paid back in currency.....	29 10	1,045 21
By warrants aggregating.....		$ 6,000 00
(Included in note for $38,589.04 given German Bank in lieu of borrowed money and warrants redeemed.)		
Total.....		$13,045 21

SECOND.

In the third quarter of 1878 the Treasurer claimed and received credit for redeeming in currency the identical warrants amounting to $13,045.21 which had been previously paid off, and the Treasurer credited as above set forth.

In the sale of thirty-year six per cent. bonds, we find that on April 5, 1877, E. W. Parker & Co. purchased from the State forty-five bonds with coupons attached, bearing interest from January 1, 1877, for which they paid State scrip amounting to $45,000. On the same date they purchased three additional bonds for which currency was paid at the rate of eighty-five cents on the dollar. The scrip was afterwards destroyed and the currency was properly charged to the Treasurer. But no notice seems to have been taken of the accumulated interest on the bonds from January 1, 1877, to the date of sale, April 5, 1877.

In like manner Mr. Zeb Ward purchased with Auditor's warrants one hundred and sixteen bonds as follows: March 14, 1877, fifty, and May 10, 1877, ten, aggregating sixty bonds with coupons attached, bearing interest from January 1, 1877; and on October 5, 1877, twenty; and on November 1, 1877, thirty, aggregating fifty-six bonds with coupons attached, bearing interest from July 1, 1877. The

warrants were canceled and filed as vouchers, but the Treasurer (as he did in the case of E. W. Parker & Co.) failed to take any notice of the accumulated interest on the bonds from the date they began to bear interest to the dates of the funding. Hence the late Treasurer has allowed to the above purchasers the sum of $2,608.66 in the way of accumulated interest which they were not entitled to, and for which the State received no benefit.

We further find, under the head of general revenue, that from statements rendered the Treasurer by Latham, Alexander & Co., of New York, the late Treasurer has received from them, on account of loan to the State, the sum of $202,000, while the Treasurer's books show he has only charged himself with received $200,000.

It will thus be seen, from the several items above mentioned, that the late Treasurer has either taken credit in error, or failed to charge himself in general revenue account with the several sums above, aggregating $18,191,57. He is therefore liable to the State, and we charge him with the sum mentioned.

SINKING FUND.

In the fourth quarter, 1878, we find that the late Treasurer received a credit in "sinking fund" for $9,589.04 as payment made to the German Bank on account of a loan. He afterwards received a warrant for payments made in which the above sum was included, amounting to $21,589.04 and for which he took credit. He therefore received a double credit and should be charged back with the sum of $9,589.04.

INTEREST ON THIRTY-YEAR SIX PER CENT. BONDS.

We find a credit taken for redemption of thirty-year six per cent. bonds, amounting to $55,320. We have scheduled and carefully counted the coupons found, and they aggregate $47,100. This leaves a balance for which

no coupons were found, of $8,220; hence, the Treasurer has over-credited himself to this extent, and we therefore charge him back with same.

INTEREST ON TEN-YEAR BONDS.

In the payment of ten-year coupons we find the Treasurer has credited himself, on account of coupons redeemed, with the sum of $53,240.. The amount of coupons found is $52,360, leaving a balance over-credited of $880, which sum we charge back to the late Treasurer.

COUNTY INTEREST.

Under this fund we find the Treasurer has taken credit for bonds and coupons redeemed in the sum of $6,609.91 (for separate items see tabulated statement), for which no Auditor's receipts could be found, nor could we find (as we did in other cases) the canceled bonds and coupons in the hands of the Auditor; we therefore chargeMr. Churchill with the sum above mentioned.

TAX DUE COUNTIES.

Under this fund we find credits taken for the following sums: County scrip, $142.62; State scrip, $77.81. (See tabulated statement.) Not fiinding the proper warrants for such payments, we charge the Treasurer with said amounts.

CITY INTEREST.

We find credits taken in this fund for city certificates and coupons redeemed, amounting to $2,525.53. (See tabulated statement.) Neither Auditor's receipts, nor the canceled coupons and certificates could be found, hence, we have charged the Treasurer with the sum above mentioned.

SWAMP LAND FUND.

In the third quarter of 1877, the Treasurer takes credit for redeeming swamp land warrant No. 3, for $120, which

was an error, the same having been paid by a reissued warrant, in which case he was not entitled to any credit. We therefore charge him back with the amount so credited.

$232.38.

We find during the first quarter, 1878, the late Treasurer has taken credit on account of Pulaski County, for clothing furnished Deaf Mute Institute, for $232.38. Having previously credited himself on account of general revenue with the same sum, he has received a double credit, and is therefore chargeable with $232.38 twice credited.

OVER-ISSUE OF SCRIP.

As has been already stated, the Treasurer is only authorized by law to issue scrip in one way, and that upon Auditor's warrants. We find, however, the Treasurer has exceeded his authority in this respect. We find scrip has been issued in excess of warrants redeemed during this term to the extent of $726.38. This amount includes scrip redeemed per register, not issued per stub-book, and warrants over-issued and twice paid. The late Treasurer is therefore liable to the State, in the sum of $726.38 for over-issue of scrip.

CREDITS.

In the fourth quarter, 1877, we find from the certificate of the burning board, that $145,000 in State scrip was burned on account of bonds sold. By reference to "bond register," and the books of the Finance Board, we find that only forty-five bonds were sold during Mr. Churchill's second term, for which scrip was received. Hence, the late Treasurer caused to be burned, on account of bonds sold in State scrip, the sum of one hundred thousand dollars more than his books show any account of sales. We therefore credit him with the overplus of scrip destroyed.

We also find warrants redeemed for payments made to Latham, Alexander & Co., of New York, for $32,000 in excess of the amounts credited to him on his books; we therefore credit Mr. Churchill with $32,000, which he failed to take credit for.

COUNTY INTEREST.

In the fourth quarter of 1878, the Treasurer redeemed Pulaski County certificates for $5.09, which he failed to take credit for. We therefore credit him with this sum.

CITY INTEREST.

In the second quarter of 1878, the Treasurer took eredit for Little Rock city coupons redeemed, the sum of $5,666. We find in the same quarter an Auditor's receipt for Little Rock city coupons redeemed, $5,667. He is therefore entitled to an additional credit for coupons redeemed of $1.

The Treasurer is also entitled to a credit for $10, having overcharged himself in account of "swamp land." (See receipt No. 6, for $30), charged on books, $40.

WARRANTS SHORT ISSUED.

We find that the late Treasurer failed to issue the full amount of scrip due on sundry warrants redeemed in this

term. He is therefore entitled to a credit on this account for $1,396.20.

RECAPITULATION.

We find from the tabulated statement, filed herewith, embracing all the errors occurring in Mr. Churchill's second term as Treasurer, that he is entitled to credits in this term which he has failed to note, in the total sum of $133,412.29, and should be charged accordingly with the sum of $47,315.24, which leaves a balance to his credit unaccounted for in this term of $86,097.05.

CONCLUSION.

In couclusion, we beg to say that we have given our report, filed herewith, the most scrutinizing tests, and have thoroughly satisfied ourselves that the charges made are clearly sustained by the books and papers of the late Treasurer. We therefore submit the same for your consideration, and beg to remain,

Very respectfully, your obedient servants,

JOHN R. THORNTON, *Chairman.*
C. M. NORWOOD,
D. E. BARKER,
SAM H. EMERSON,
JOHN B. BOYKIN.

Joint Committee on Auditor's and Treasurer's Books.

Attest:

D. C. BELL,
W. G. BENDER,
Clerks.

[redacted]

STATEMENT OF ERRORS

OCCURRING DURING THE SECOND TERM OF THOMAS J. CHURCHILL, TREASURER.

	DEBIT.	Swamp Land Scrip.	County Scrip.	State Scrip.	United States Currency.
	GENERAL REVENUE.				
First quarter 1877	To express charges paid, no receipt found				$ 1 00
First quarter 1877	To error in addition, page 492 general account book				60
Second quarter 1877	To Auditor's warrant No. 262, reported paid in currency, but found redeemed with scrip				21 00
Second quarter 1877	To Auditor's warrant No. 268, reported redeemed in currency, but found redeemed in scrip				486 00
Third quarter 1878	To warrants redeemed from German Bank, twice credited				13,045 21
Third quarter 1878	To curreney received from German Bank, not charged				29 10
Fourth quarter 1878	To excessive interest allowed individuals in the purchase of thirty-year 6 per cent. bonds				2,608 66
Fourth quarter 1878	To amount received from Latham, Alexander & Co., $202,000				
Fourth quarter 1878	Amount charged. - - - - 200,000				2,000 00
	SINKING FUND.				
Fourth quarter 1878	To amount paid German Bank, twice credited				9,589 04
Fourth quarter 1878	To coupons six per cent. bonds charged, $55,320				
Fourth quarter 1878	Coupons found, - - - 47,100				8,220 00
Fourth quarter 1878	To coupons ten per cent. bonds charged, 53,240				
Fourth quarter 1878	Coupons found, - - - 52,360				880 00
	COUNTY INTEREST.				
Second quarter 1877	To Pulaski County coupons from duplicate bond No. 184, redeemed				40 00
Second quarter 1877	To Crawford County coupons twice credited				200 00
Third quarter 1877	To Pulaski County bond No. 9, reported redeemed, not found				1,000 00
Fourth quarter 1877	To Johnson County bonds reported redeemed, not found				700 00
First quarter 1878	To Johnson County coupons reported redeemed, not found				66 66

STATEMENT OF ERRORS—(*Concluded.*)

OCCURRING DURING THE SECOND TERM OF THOMAS J. CHURCHILL, TREASURER.

	DEBIT.	Swamp Land Scrip.	County Scrip.	State Scrip.	United States Currency.
Second quarter 1878	To Jefferson County bonds reported redeemed, not found				$ 663 25
Second quarter 1878	To Johnson County bonds reported redeemed, not found				2,940 00
Second quarter 1878	To Pulaski County bond No. 98, reported redeemed, not found				1,000 00
	TAX DUE COUNTIES.				
Second quarter 1877	To amount paid Montgomery County, no voucher found		$ 39 93	$ 28 18	
Second quarter 1877	To amount paid Newton County, no voucher found			6 30	
First quarter 1877	To amount paid Jackson County, no voucher found		102 69	43 33	
	CITY INTEREST.				
First quarter 1877	To amount charged to Little Rock, page 451, no voucher				1 53
Third quarter 1877	To Little Rock city coupons charged, not found				121 00
Second quarter 1878	To Little Rock City Clerk's certificates charged, not found				2,163 00
Third quarter 1878	To Little Rock city coupons charged, not found				240 00
	SWAMP LAND FUND.				
Third quarter 1877	To swamp land warrant reported redeemed, not found	$ 120 00			
	MISCELLANEOUS.				
First quarter 1878	To amount charged Pulaski County in error			232 38	
First quarter 1878	To scrip redeemed per register, not issued per stub-book			30 00	
First quarter 1878	To warrants twice paid and over-issued			696 38	
	Totals	$ 120 00	$ 142 62	$ 1,036 57	$44,016 05

AGGREGATE.

Swamp land scrip	$ 120 00
County scrip	142 62
State scrip	1,036 57
United States currency	46,016 05
Total	$47,315 24

STATEMENT OF ERRORS

OCCURRING DURING THE SECOND TERM OF THOMAS J. CHURCHILL, TREASURER.

	CREDIT.	Swamp Land Scrip.	County Scrip.	State Scrip.	United States Currency.
	GENERAL REVENUE.				
Fourth quarter 1877	By State scrip burned for which no credit has been taken			$100,000 00	
Fourth quarter 1877	By amount paid Latham, Alexander & Co., not credited				$32,000 00
	COUNTY INTEREST.				
Fourth quarter 1878	By Pulaski County certificates not credited				5 09
	CITY INTEREST.				
Second quarter 1878	By Little Rock city coupons redeemed, as follows, $5,667				
Second quarter 1878	Amount credited, - - - - - 5,666				1 00
	SWAMP LAND FUND.				
Second quarter 1878	By receipt No. 6, charged, $40				
Second quarter 1878	Should have been, - 30	$ 10 00			
	MISCELLANEOUS.				
Second quarter 1878	By warrants short-issued and not issued			1,396 20	
	Total	$ 10 00		$101,396 20	$32,006 09

AGGREGATE.

Swamp land scrip	$	10 00
County scrip		
State scrip		101,396 20
United States currency		32,006 09
Total		$133,412 29
Total debit		$ 47,315 24
Net credit		$ 86,097 05

REPORT

OF

FINDINGS OF THE JOINT COMMITTEE

ON

AUDITOR'S AND TREASURER'S BOOKS.

COMMITTEE ROOMS,

LITTLE ROCK, ARK., March —, 1883.

To the Honorable Senate and House of Representatives of the General Assembly of the State of Arkansas:

We, the undersigned members of the Joint Committee on Auditor's and Treasurer's Books, in conformity with joint resolution adopted on the ——— day of January, 1883, beg to submit herewith the following report, being the result of our investigations of the books and accounts of the late Treasurer, Mr. Churchill, kept during his third term of office.

We have gone over the work of this term in the same careful manner, using every precaution, and observing the same system of checking and comparing the vouchers and receipts with the books, as has been stated of the work in our reports of the first and second terms.

The progress of the committee has been greatly impeded throughout its work, on account of so many irregularities in entries, missing vouchers, and the extreme lack of

explanations, which should properly particularize each and every entry made upon the books. As was the case with the work of the first and second terms, we have found it the same in this; that many entries appear upon the books which operate as credits to the late Treasurer, but we have failed to find the proper vouchers and receipts among the rest of his papers authorizing such payments to be made. We have also found receitps and vouchers for payments made, and yet no credit has been taken, though he is justly entitled thereto.

We find, further, several entries upon the books which operate as credits to the Treasurer, and that seem to have been checked by the Senate Committee, as they do not appear in their report.

But, as was the case in the other terms, we were unable to find the proper vouchers for such credits, hence we have been compelled to enter a charge against the Treasurer in all such cases.

We present herewith a tabulated statement of the errors occurring in the third term of the late Treasurer, Mr. Churchill, beginning with the seventeenth day of January, 1879, and ending with the twelfth day of January, 1881.

In the absence of any receipt, we were forced to take, as a basis of beginning, the ledger balances brought forward from his second term.

We have charged him with all sums received into the treasury, for which schedules were filed with the Auditor, and have credited him with all disbursements where vouchers could be found, or where positive proof of lawful payments could be established. We also credit him for all sums turned over by him to his successor, Mr. Woodruff, as per receipt taken at the close of his term of office as Treasurer.

Following is a brief explanation of the discrepancies found to exist in the books of the late Treasurer, which he neither corrected nor accounted for to his successor. He is therefore chargeable with the various sums, as follows:

GENERAL REVENUE.

In the first quarter of 1879 we find where the late Treasurer took credit for paying out the sum of sixty-six dollars and fifty-eight cents ($66.58) in currency for advertising and commissions for redeeming coupons. No voucher for such payment could be found. We also find, in the same quarter of the same year, a credit taken for a payment made Latham, Alexander & Co., of New York, of twelve thousand dollars ($12,000), United States currency.

In our investigation of Mr. Churchill's second term we found the warrant received from the Auditor for the payment, and from the date of its issue we were thoroughly convinced that the payment was made during his second term as Treasurer, and we so placed the credit in our statement of that term. He therefore should be charged back with this sum against the credit taken in this, his third term.

In the second quarter of 1879, the late Treasurer took credit for payment made on account of exchange and express on currency from St. Louis, in the sum three hundred and twenty dollars ($320). He afterwards charged himself back in the third quarter, 1879, with an overcharge on this account, the sum of one hundred and sixty-two dollars and fifty cents ($162.50), leaving a credit balance, for which no voucher could be found, of one hundred and fifty-seven dollars and fifty cents ($157.50).

In the third quarter of 1879 he took credit for advertising in the St. Louis and New York, for which no voucher is found by us, in the sum of fifty-three dollars ($53).

In the first quarter of 1880 a credit for "amount paid commissioners for redeeming coupons," of eighteen dollars and fifty-two cents ($18.52), and, in the same quarter, for "advertising in the New York papers," the sum of eighteen dollars and fifty cents ($18.50). No vouchers for any such payments do we find.

In the second quarter of 1880, a credit was taken for

"amount paid express charges," of two hundred and fifty-five dollars ($255), against which we find an Auditor's warrant for two-hundred and thirty dollars ($230), leaving a balance of over-credit taken of twenty-five dollars ($25).

Thus it will be seen that the late Treasurer has failed to secure proper vouchers, or has taken credit in general revenue account with the several sums mentioned, aggregating twelve thousand three hundred and thirty-nine dollars and twelve cents ($12,339.12).

He is therefore chargeable with this amount.

SINKING FUND.

Under the head of this fund a credit has been taken for "redemption of coupons from thirty-year six per cent. bonds," amounting to fifty-four thousand four hundred and fifty dollars ($54,450).

A careful compilation of all the coupons found in the treasury, that were redeemed in this term, aggregate forty-four thousand two hundred and twenty dollars ($44,220), which leaves a balance of over-credit on this account of ten thousand two hundred and thirty dollars ($10,230).

The late Treasurer has also taken credit for the sum of fifty-two thousand and ninety dollars ($52,090) on account of "coupons from ten-year bonds redeemed," the aggregate of coupons is fifty-one thousand nine hundred and twenty dollars ($51,920). This leaves a balance of over-credit on account of ten-year bond interest of one hundred and seventy dollars ($170).

Hence, we find that Mr. Churchill has over-credited himself in the sinking fund, on account of interest on bonds to the extent of ten thousand four hundred dollars ($10,400), which sum we charge back to the said late Treasurer.

COUNTY INTEREST.

Under this fnnd we find that the late Treasurer has taken credit for county bonds and coupons redeemed, in the total

sum of eleven thousand five hundred and fifty-nine dollars and thirty cents ($11,559.30), (separate items see tabulated statement), for which no Auditor's were found, nor do we find the canceled bonds and coupons in the hands of the Auditor. We therefore charge Mr. Churchill with the sum mentioned.

CITY INTEREST.

In the third quarter of 1879, the late Treasurer took credit for redeeming city of Helena bonds, numbering from ten (10) to sixteen (16), inclusive, amounting to one hundred and forty dollars ($140). These bonds are not found to be registered in the Auditor's office, and, under the law, he had no authority to redeem them. He is therefore chargeable with this amount.

OVER-ISSUE OF SCRIP.

We find the Treasurer exceeded his authority in issuing scrip, in excess of warrants redeemed during his third term, to the extent of five hundred and eleven dollars and twenty-eight cents ($511,28). This includes scrip redeemed per register, not issued per stub-books; and warrants overpaid and twice issued. He is therefore chargeable with the amount over-issued.

CREDITS.

UNCANCELED STATE SCRIP.

We find in the hands of the present Treasurer a package of State scrip (not canceled), indorsed on wrapper, "redeemed with currency," $615.80. The present Treasurer informed us, at the beginning of our investigation, that ex-Treasurer Churchill claimed the scrip as vouchers for United States currency paid out in the first term of his office. But as it failed to correspond in the aggregate with the United States currency paid out, being over twenty thousand dollars ($20,000) less, (see items in first report of scrip redeemed with currency), and from the further fact that the scrip had never been canceled, we failed to regard it as vouchers. Hence, we now credit him with the amount as current funds.

SINKING FUND.

We find that the late Treasurer has charged himself in this term with the sum of nine thousand five hundred and eighty-nine dollars and four cents ($9,589.04), for credits taken in error in second term. As we charged him in our preceding report for the double credit taken, he should be credited in this term with the amount, as an offset to his charge.

WARRANTS SHORT ISSUED.

We find that the late Treasurer failed to issue the full amount of scrip due on certain warrants to the extent of seventy-seven dollars and forty-three cents ($77.43). We therefore credit him with this sum.

RECAPITULATION.

It will thus be seen from the tabulated statement (filed herewith), embracing all the errors occurring in Mr. Churchill's third term as Treasurer, that he should be

charged with the total sum of thirty-five thousand one hundred and nineteen dollars and eighty-four cents ($35,-119.84), and should be *credited* with the sum of ten thousand two hundred and eighty-two dollars and twenty-seven cents ($10,282.27), which leaves a balance to his *debit,* unaccounted for, in this term, of twenty-four thousand eight hundred and thirty-seven dollars and fifty-seven cents ($24,-837.57).

SURPLUS OF SCRIP—$26,394.40.

We find that the late Treasurer, after settling with his successor, Treasurer Woodruff, at the close of his term, turned over a sufficient sum (improper kinds of funds) to balance all the accounts, so far as shown by the accounts of the Auditor.

There was a surplus of State scrip left over, amounting to twenty-six thousand eight hundred and ninety-four dollars and forty cents ($26,894.40). The late Treasurer, being unable to account for the manner of its receipt, left the said amount, in State scrip, in the treasury, taking from his successor, Treasurer Woodruff, a memorandum receipt for the same.

The present Treasurer having discovered some errors in the accounts of the late Treasurer, was permitted by Mr. Churchill, to make good the shortage out of said surplus scrip, reducing the original amount twenty-six thousand eight hundred and ninety-four dollars and forty cents ($26,-894.40), to twenty-four thousand eight hundred and seventeen dollars and eighty-two cents ($24,817.82).

We also find a surplus of county scrip amounting to two thousand eight hundred and five dollars and eighty-seven cents (($2,805.87), which could not be used in Mr. Churchill's settlement with his successor, and for which there is no evidence as to how it came into the treasury. We have not given the late Treasurer credit upon his accounts for the surplusage of scrip, State and county, be-

cause Treasurer Woodruff, in whose possession it is, informs us that he holds it as trustee for such beneficiary or beneficiaries as the courts shall determine entitled to it.

SCRIP IMPROPERLY BURNED.

We find, from what purports to be a legal schedule and certificate of the burning board, that in the second quarter of 1879 there was burned upon account of the seminary fund the sum of $1,548.84; upon account of saline fund, the sum of $1,955.57, and upon the account of permanent school fund the sum of $50,237.23, aggregating the sum of $53,741.64.

The above funds were placed in the treasury for public school purposes, and the act of the General Assembly, approved December 7, 1875, especially provides that this fund shall be "securely invested" and preserved as a public school fund; hence it will be seen that the board had no authority of law to burn or otherwise destroy any of the above funds, except as provided for under an act approved December 24, 1874, which authorized the funding of scrip for bonds, and prescribes the manner in which the scrip so funded shall be destroyed. Had the general law regulating the manner of canceling and destroying State scrip been strictly complied with by the burning board, we do not see how it could be possible for the board to commit such a gross mistake as to burn any part of this fund. But we find that the grossest carelessness characterized the actions of the burning board in the cancellation and destruction of State scrip. We deemed it necessary in the investigation of this matter to take the testimony of the clerks who assisted in counting the scrip and making up the schedules, and also of the members of the burning board. Their testimony is appended hereto. It will be seen from the testimony taken that all the scrip counted and scheduled for destruction was *canceled scrip*. We find no law authorizing the cancellation of scrip received into the treasury for account of the public school fund, and it seems to your

committee that none of the scrip belonging to this fund was counted, scheduled or burned. Yet, in the schedule of scrip burned, as above set forth, there appears to have been destroyed of this fund the sum of $53,741.64 in positive violation of all law on the subject. We also find that the manner in which the scheduling and burning of the scrip was conducted, opened the door for the perpetration of the *grossest frauds* on the State, and left no check whatever on the Treasurer or any of his deputies, who could not have been prevented, if they had been disposed to do so, from giving out to the clerks of the officers, whose duty it was by law to count, schedule and destroy the scrip, the same identical packages over and over again to be counted. The only mark of cancellation on the scrip appears to have been a round hole punched in the scrip, and the only means of distinguishing between that which had been counted and that which had not, being only the difference in the wrappers placed around the packages, upon which other memoranda seems to have been made. If this wrapper had been removed and another placed around the same package, the identical pieces of scrip could have been counted over and over again at the pleasure of the Treasurer or his chief deputy.

Now, when we consider that under these circumstances the entire amount purported to have been destroyed was, after being counted, delivered back into the keeping of the Treasurer, and the count continuing through a long period of time, and when completed, the entire amount placed in the keeping of the Treasurer, where it remained until the burning, which did not occur until a few days after the schedule had been completed, it will be apparent to all that nothing but honesty and integrity would have prevented the Treasurer, or his chief deputy, from extracting from any package as much as he desired, or returning the same packages to the clerks counting it, with only the wrappers exchanged. Especially is this true if any of the public

school fund is to be burned, for this is not canceled nor punched, and there is absolutely nothing to distinguish it from other current scrip.

It will be seen further that no attention was paid by the counting clerks to the interest accumulated upon the interest-bearing scrip, between the date of its redemption and the date of scheduling, and there being no date of redemption marked on the scrip, the witnesses state that the Treasurer could have calculated and allowed the interest upon the scrip to any date, even to that of counting, and the clerks who only counted the scrip making no calculations of interest to see whether any over-allowance was taken or not, and they could not have known the difference so far as anything that could be developed in the manner of counting. Hence, there was nothing to prevent the Treasurer, as before intimated, from taking a very large credit in the way of accumulated interest, on all interest-bearing scrip that came into the treasury.

To your committee there seems to be gross carelessness in this entire transaction, both on the part of the burning board and the late Treasurer; and the manner of conducting the scheduling and destroying State scrip so extremely loose as to be reprehensible. Neither the board nor the Treasurer having complied with the law regulating the burning of scrip, the committee have failed to satisfy themselves whether, under the circumstances, the scrip belonging to the public school fund was actually burned or not, and have thought best to submit the facts to the General Assembly as they appear in the testimony taken. We are satisfied, however, that the manner of counting the scrip, and the opportunity afforded the Treasurer to count the interest on the interest-bearing scrip from the date of issue to the time it was scheduled, if taken advantage of, would have given ample opportunity to have received credit for scrip destroyed in excess of amount actually destroyed, equal in amount to all that is purported to have been de-

stroyed by the board, and apportioned in the schedule to account of public school fund.

It appearing from the testimony taken that only canceled scrip was destroyed—at least scheduled for destruction—and there being no law to cancel scrip belonging to this fund, we repeat, that, if the law had been complied with, this could not have been destroyed.

Hence, there exists in the minds of your committee grave doubts that it was ever destroyed; and, if destroyed at all, we are of the opinion that it was done in derogation of law, and was not only at the peril of the late Treasurer and his sureties, but also of the members of the burning board.

We have not charged the late Treasurer in our statement herewith rendered with the amount thus purported to have been destroyed, but leave the matter for the General Assembly to say what shall be done in the premises.

CONCLUSION.

In conclusion, we beg to call attention to the many wise suggestions offered by the honorable Senate Committee in their report:

In reference to the adoption of such measures as will better facilitate the work of examining into and reporting upon the accounts kept by the officers of the various departments of the State Government, at the biennial sessions of the General Assembly; also, as to the importance of having destroyed the large amount of old funds, such as bonds, coupons, scrips, Auditor's warrants, etc., now remaining in the treasury, a large part of which is uncanceled; neither is there any mark of defacement thereon to prevent the same being again placed in circulation; we make no suggestions, as your honorable body will no doubt take proper action in the premises.

We beg to state further that, before filing our report, we have thoroughly reviewed the same, and satisfied ourselves

of its correctness in every respect; and that every charge made is clearly sustained by the books and papers of the late Treasurer.

We, therefore, submit this report for your consideration, and remain, very respectfully, your obedient servants,

J. R. THORNTON, *Chairman;*
C. M. NORWOOD,
D. E. BARKER,
SAM. H. EMMERSON,
JOHN B. BOYKIN.

Joint Committee on Auditor's and Treasurer's Books.

Attest:

W. G. BENDER,
D. C. BELL,
Clerks.

SUMMARIZED STATEMENT OF ERRORS

OCCURRING DURING THE THIRD TERM OF THOMAS J. CHURCHILL, LATE TREASURER.

	DEBIT.		County Scrip.	State Scrip.	United States Currency.
	GENERAL REVENUE.				
First quar'er, 1879.....	To amount credited as paid for advertising and commissions for redeeming coupons, no vouchers found.....		.....	.....	$ 66 58
	To amount reported paid to Latham, Alexander & Co., of New York, credited in second term.....		.....	.....	12,000 00
Second quarter, 1879.....	To amount paid for exchange and express charges on currency from St. Louis, no voucher found.....	$320 00			
	Less amount charged back in third quarter, 1879.....	162 50	.....	.....	157 50
Third quarter, 1879.....	To amount paid for advertising in St. Louis and New York, no voucher found.....		.....	.....	53 00
First quarter, 1880.....	To amount paid commissions for redeeming coupons, no voucher found.....		.....	.....	18 52
	To amount paid for advertising in New York, no voucher found.....		.....	.....	18 50
Second quarter, 1880.....	To amount paid for express charges.....	$255 00			
	Warrant found.....	230 00	.....	.....	25 00
	SINKING FUND.				
	To coupons, thirty-year bonds, amount charged.....	$54,450 00			
	Coupons found.....	44,220 00	.....	.....	10,230 00
	To coupons, ten-year bonds, amount charged.....	$52,090 00			
	Coupons found.....	51,920 00	.....	.....	170 00
	TAX DUE COUNTIES.				
Fourth quarter, 1879.....	To amount paid B. C. Black, warrant not found.....		.....	69 48	.....
	To amount paid B. C. Black, warrant not found.....		$100 68	.....	.....

SUMMARIZED STATEMEFT OF ERRORS—(*Continued.*)

OCCURRING DURING THE THIRD TERM OF THOMAS J. CHURCHILL, LATE TREASURER.

	DEBIT.	County Scrip.	State Scrip.	United States Currency.
	COUNTY INTEREST.			
First quarter, 1879	To Pulaski County certificates credited, certificates not found	.....	.....	$ 569 67
Second quarter, 1879	To amount paid interest on overdue Johnson County bonds, no receipt found	.....	.....	390 00
	To amount paid to redeem overdue Johnson County bonds and interest, no receipt found	.....	.....	2,849 08
	To amount paid to redeem overdue Johnson County bonds and interest, no receipt found	.....	.....	1,425 00
Third quarter, 1879	To coupons from bond No. 18, Phillips County, redeemed, bond not registered	.....	.....	30 00
Fourth quarter, 1879	To Pulaski County certificates, reported redeemed, certificates not found	.....	.....	569 28
	To Johnson County bonds and interest reported redeemed, no receipt found	.....	.....	623 46
Third quarter, 1880	To Johnson County bonds and interest reported redeemed, no receipt found	.....	.....	5,102 81
	CITY INTEREST FUND.			
Third quarter, 1879	To coupons from bonds Nos. 10 to 16, city of Helena, reported redeemed, not registered	.....	.....	140 00
	MISCELLANEOUS.			
	To warrants twice paid and over-issued	.....	$501 28	.....
	To State scrip redeemed per register, not issued per stub-book	.....	10 00	.....
	Total debits	$160 68	$580 76	$34,438 40

SUMMARIZED STATEMENT OF ERRORS—(*Concluded.*)

OCCURRING DURING THE THIRD TERM OF THOMAS J. CHURCHILL, LATE TREASURER.

CREDIT.	County Scrip.	State Scrip.	United States Currency.
By State scrip (not canceled) carried as vouchers		$ 615 80	
By amount charged back this term for credit taken in error in second term, in sinking fund			$9,589 04
By warrants short issued and not issued		77 43	
Total credits		$ 693 23	$9,589 04

Total Debits	$35,119 84
Total Credits	10,282 27
Net debit	$24,837 57

[redacted]

SUMMARIZED STATEMENT OF REPORTS.

It will be seen from the tabulated statement of our report No. 1, embracing all the errors occurring in the first term of the late Treasurer, that, after allowing all credits which he could from any source be entitled to, that he is still indebted to the State in the sum of two hundred and ninety-four thousand eight hundred and seventy-six dollars and thirty-seven cents ($294,876.37).

From the tabulated statement of our report No. 2, embracing all the errors occurring in the second term, you will see that after charging Mr. Churchill, late Treasurer, with all sums for which he was found liable, he is entitled to a credit balance, unaccounted for, in the sum of eighty-six thousand and ninety-seven dollars and five cents ($86,-097.05).

From the tabulated statement of our report No. 3, embracing all the errors occurring in the late Treasurer's third term, it is evident that, after allowing him all credits to which from any source he could be entitled, he is still due the State the sum of twenty-four thousand eight hundred and thirty-seven dollars and fifty-seven cents ($24,837.57).

A summarized statement, appended hereto, shows the late Treasurer, Mr. Churchill, indebted to the State upon all three terms in the net sum of two hundred and thirty-three thousand six hundred and sixteen dollars and eighty-nine cents ($233,616.89):

STATEMENT.

T. J. CHURCHILL, TREASURER, IN ACCOUNT WITH THE STATE OF ARKANSAS.

First term, net debits	$294,876 37
Third term, net debits	24,837 57
Aggregate	$319,713 94
Second term, net credits	$ 86,097 05
Net balance due	$233,616 89

TESTIMONY.

Testimony of William E. Woodruff, Jr., before the Joint Committee on Auditor's and Treasurer's Books, at Little Rock, March 23, 1883:

Question—In what manner do you hold the surplus of State scrip amounting to $24,817.82 left in your hands by the late Treasurer, T. J. Churchill, after settling off his accounts with you as his successor?

Answer—I hold it as trustee for such beneficiary or beneficiaries as the courts shall determine are entitled to it. I gave an unofficial memorandum receipt for it only, and at some stage of whatever legal proceedings are undertaken by the State, will ask the court to dispose of it according to right and justice.

[Signed] W. E. Woodruff, Jr.

Sworn to and subscribed before me this March 23, 1883.

[Signed] J. R. Thornton,

Chairman Joint Committee on Auditor's and Treasurer's Books.

Testimony of A. Belding, before the Joint Committee on Auditor's and Treasurer's Books, at Little Rock, Arkansas, March 21, 1883:

Question—Did you assist in counting State scrip prior to burning in 1879?

Answer—I did, in June, 1879.

Question—Did you calculate the interest on same to the date of burning?

Answer—No; it was counted to the time it was received by the Treasurer from collectors.

Question—Did you examine all calculations of interest on scrip burned in 1879?

Answer—I did, in most instances. The scrip was put up in packages, and the packages were marked with the date of redemption. The scrip was canceled by punching holes in it.

The rule was to put scrip up in packages without marking each piece of scrip with date, but make indorsement of date of redemption on the wrapper around the package.

I made the schedule of scrip burned in 1879, and it was examined by Governor Miller, Auditor Crawford, and Secretary of State, Frolich, before the burning, and was signed by them on the same day that the scrip was burned.

[Signed] A. BELDING.

Subscribed and sworn to before me this twenty-first day of March, 1883.

[Signed] J. R. THORNTON,
Chairman Committee
on Auditor's and Treasurer's Books.

Testimony of Governor W. R. Miller, before the Joint Committee on Auditor's and Treasurer's Books, February 1, 1883, at Little Rock, Arkansas:

Prior to the burning of State scrip, on or about June 26, 1879, I sent my private secretary, W. J. Joblin, to the Treasurer's office, to assist the Secretary of State and Auditor in counting scrip to be burned, who represented me in comparing the scrip with list which had been made in book (Cashier's Ledger), before the Committee by the

Treasurer, and I am fully satisfied that the amount as stated ($902,178.19) was burned.

On the day of burning, or the day afterward, the Treasurer made the certificate now before the Committee, and the same was signed by me.

At the time of the burning of said scrip I was not aware that scrip belonging to the permanent school fund was being burned.

I am satisfied that scrip belonging to that fund was burned by mistake.

Question—Did the burning board open the packages of scrip at the time of burning?

Answer—No sir. The scrip was counted by the private secretary of the Governor, Deputy Secretary of State and Deputy Auditor, before the day of burning, but not by the members of the board in person. The rubber bands and envelopes were removed from the packages before the scrip was burned, after which it was thrown into the furnace at the gas-works in the city of Little Rock, Arkansas.

Question—Do you consider this a schedule as contemplated by the law?

Answer—Yes, I consider it as sufficient. There is a duplicate of the schedule now before the Committee, in the Auditor's office.

Question—Why were you satisfied that the scrip belonging to the permanent school fund was burned?

Answer—Because, when we distributed the scrip burned among the different funds, we found, after giving them all the credit they were entitled to, we had an overplus, which was credited to the said permanent school fund.

Question (by Mr. Barker)—Did you receive a message, two years since, from the Committee on Auditor's and Treasurer's Books, asking you by what authority this scrip was burned?

Answer—I did not.

Question (by Mr. Barker)—Do you remember my asking

you, in the Auditor's office, by what authority this scrip was burned, and what answer did you make me?

Answer—Yes; I told you the certificate was written after the scrip was burned, and I did not know at the time of the burning that the scrip belonging to the permanent school fund was included.

[Signed] W. R. MILLER.

Sworn to and subscribed before me this first day of February, 1883.

J. R. THORNTON,
Chairman Committee on Auditor's and Treasurer's Books.

The testimony of Mr. I. J. Hicks, taken before the Joint Committee on Auditor's and Treasurer's Books, on the fifth day of February, 1883:

Said witness being duly sworn according to law deposed as follows:

Question—What position did you occupy in June, 1879?

Answer—I was clerk in the Secretary of State's office.

Question—Did you assist in counting any scrip on or about June 26, 1879, to be burned?

Answer—Yes; I was one of three who counted the scrip. The scrip was furnished to us by the Treasurer, in packages. We were also furnished with statements of some of the packages, stating the amount said to be in each package. The scrip was counted by package, and a memorandum of the amount of each package was labeled on the back of the package. I knew nothing of the kind of scrip burned. We only counted what was furnished us by the Treasurer. I know we counted something over $902,000 in scrip, and that it was all canceled scrip.

Question—Did you ever see this book (a book, known as "Cashier's Ledger," in Treasurer's office, which contains a schedule, or what is said to be a schedule of the burned scrip, was here exhibited) before?

Answer—I do not remember of having seen it before. It was not used by the clerks who counted the scrip. Some of the schedules of the scrip were made out by the clerks in the Treasurer's office, but the most of them were made out by Mr. West, of the Auditor's office, as the counting was done.

Question—Did you ever see this document (here a sheet or schedule of the scrip burned was exhibited) before?

Answer—I do not remember having seen that document before.

Question—After you had counted a package of scrip and delivered it back to the Treasurer, could it not have been returned to you as a new package to be counted, without your being able to detect it?

Answer—It could have been done, provided the wrapper upon which the memorandum was made had been removed.

The scrip was all placed in the hands of the Treasurer each night, and delivered to the clerks from day to day until the count was completed.

The burning did not take place until a few days after the count was made.

[Signed] ISAAC J. HICKS.

Sworn to and subscribed before me, this February 5, 1883.

[Signed] J. R. THORNTON,
Chairman Joint Committee
on Auditor's and Treasurer's Books.

The testimony of George West, a witness, taken before the Joint Committee on Auditor's and Treasurer's Books, on the fifth day of February, 1883. Said witness being duly sworn as the law directs, deposed as follows, to wit:

Question—Your name?

Answer—George West.

Question—What business were you engaged in June 26, 1879?

Answer—I was book-keeper in the Auditor's office.

Question—Tell this committee what you know in regard to the burning of the scrip, as mentioned in the statement here presented.

Answer—I represented the Auditor in the count of the scrip. There were three parties who counted the scrip, one from the Governor's office, one from the Secretary of State's office and one from the Auditor's office, viz.: Mr. Joblin, on the part of the Governor, and Mr. I. J. Hicks, on the part of the Secretary of State. As to the particular kind of scrip, I do not remember. The statement of the burning was made in duplicate, one filed with the Treasurer and one with the Auditor. The statement of the burning (as shown) was made out after the burning.

All the scrip burned was canceled.

The clerks were not furnished with a schedule. The scrip was found to be in bundles, and a list of same was found on the book known as "Cashier's Ledger." The packages were counted, and when found not to contain the amount as specified on the back of the bundles, we noted the fact and corrected same on the back of the bundles.

Question—Who made out this schedule? (Here a paper was exhibited.)

Answer—Albert Belding. It is in his handwriting. The list of scrip, as appears on the "Cashier's Ledger," was afterwards corrected by the clerks of the treasury to correspond with the corrections made on the back of the packages, and pencil memorandums made opposite the original figures.

Question—How long was it after the counting that the burning was made?

Answer—Only a few days. The scrip was counted and delivered to the Treasurer, in whose possession it remained till the burning took place. All the scrip was delivered to

the clerks, and as fast as the scrip was counted it was delivered back to the Treasurer, and continued in that way until all the scrip was counted.

We were about a week in counting, devoting about one-half of our time to same. The scrip was placed in the custody of the Treasurer every night.

Mr. Belding made out what purports to be a schedule. He was at the time a clerk in the Treasurer's office.

Question—If the same packages of scrip that had already been counted had been returned to you as new packages to be counted would you have known it?

Answer—We would, provided the packages were wrapped with the same wrappers as those upon which memorandums and corrections had already been made by us. Otherwise we could not. We kept no record of the counting in any way except to ascertain whether or not the packages contained the amount of scrip, as was specified on back of each package.

[Signed] GEORGE WEST.

Sworn to and subscribed before me, February 5, 1883.

[Signed] J. R. THORNTON,

Chairman Committee on Auditor's and Treasurer's Books.

JOHN CRAWFORD'S TESTIMONY.

Being duly sworn, testified as follows:

Prior to the time of burning, I sent a man to the Treasurer's office to examine the scrip to be burned. I was present when the scrip was burned, and each package was examined and burned by package until the entire amount was burned, amounting to $902,178.19, said to have been burned June 26, 1879. Am unable to say whether the scrip, amounting to $50,237.23, belonging to the permanent school fund, was burned or not.

But think there is no doubt but what the entire amount, as stated, was burned.

A clerk from my office, one from the Treasurer's office and one from the Governor's office did the counting prior to the burning, and the amount and number contained in each package was labeled on each package, after which the burning was made in the presence of the board. The scrip was not counted by the board, but the packages were compared with a statement which the Treasurer had at the time of the burning.

I don't know whether the statement of the scrip which was used at the burning was the one in the hands of this committee or not. I am of the opinion that schedule of the burning, as filed with me, was made out after the burning.

Question—The law requires a comparison of the scrip with the report. Did you do this?

Answer—I don't remember of having compared the permanent school fund.

Question—Did your board count the scrip?

Answer—Only by packages.

Question—Were any of those packages marked permanent school fund?

Answer—I don't remember now.

Question—Did the board, authorized to burn, open any of the packages and count the scrip?

Answer—They did not.

Question—Were all the packages marked State scrip?

Answer—They were.

Question—Did you see any of the packages marked permanent school fund?

Answer—I did not.

Question—Did you see any schedule report of the burning, as authorized by law?

Answer—I saw a statement of some kind, said to contain all the scrip.

Question—Do you regard this as being a legal schedule?

Answer—I think so.

Question—Was this report (in the hands of this committee) made out after the burning or before?

Answer—I think it was made out afterwards.

Question—Was all the scrip, burned, canceled?

Answer—I can not say that it was.

Question (by Mr. Barker)—Do you remember of having stated to me, two years ago, that this report was made out after the burning?

Answer—I do not now remember.

Question—Will you swear that the permanent school fund was burned?

Answer—No.

Question—Were there any distinctions in the scrip burned by which you could know what kind of scrip it was?

Answer—None.

Question—Was any except canceled scrip burned?

Answer—I am satisfied there was none burned except that which was canceled?

[Signed] JOHN CRAWFORD.

Sworn to and subscribed before me this, February 1, 1883.

[Signed] J. R. THORNTON,

Chairman Committee on Auditor's and Treasurer's Books.